

REBUTTAL TESTIMONY
OF
ALLEN W. ROOKS
ON BEHALF OF
SOUTH CAROLINA ELECTRIC & GAS COMPANY
DOCKET NO. 2017-370-E

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Allen W. Rooks. My business address is 220 Operation Way, Cayce, South Carolina. I am Manager of Electric Pricing and Rate Administration at SCANA Services, Inc.

Q. STATE BRIEFLY YOUR EDUCATION, BACKGROUND, AND EXPERIENCE.

A. I graduated from the University of South Carolina in May 1995 with a Bachelor of Science Degree in Business Administration with a major in Management Science. In May 2002, I earned a Master of Business Administration Degree from the University of South Carolina. Since joining SCANA Corporation on a full-time basis in July 1996, I have held analytical positions within the Rates & Regulatory and Financial Planning Departments. I have participated in cost of service studies, rate development and design, financial planning and budgeting, rate surveys, responses to regulatory information requests, and rate evaluation programs, primarily for South Carolina Electric & Gas Company's (SCE&G or the

Company) electric operations. I assumed my present position in April of 2014. I am a member of the Southeastern Electric Exchange Rates and Regulation Section and served as Chairman of the group during the 2013 calendar year.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA (THE “COMMISSION”)?

A. Yes, I have testified in numerous proceedings before the Commission.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE COMMISSION IN THE PRESENT DOCKET?

A. Yes, I offered direct testimony for the matter currently pending before the Commission.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am offering rebuttal testimony in response to the testimony offered by ORS witness Michael L. Seaman-Huynh. Specifically, I will be speaking to how SCE&G proposes to apportion the rate credit offered to retail electric customers under the Customer Benefits Plan, as well as how to allocate the proposed 3.5% bill reduction and any Tax Rider benefits associated with the Tax Cuts and Jobs Act of 2017 (“TCJA”).

Q. HAVE YOU REVIEWED THE TESTIMONY OF MICHAEL L. SEAMAN-HUYNH?

A. Yes.

Q. WHAT POSITION DID MR. SEAMAN-HUYNH TAKE WITH RESPECT TO THE MANNER IN WHICH SCE&G SHOULD APPORTION THE

RATE CREDIT OFFERED TO CUSTOMERS UNDER THE CUSTOMER BENEFITS PLAN?

- A. Although ORS did not recommend the one-time Rate Credit, ORS did not oppose using peak demand and customer usage data to calculate the Rate Credit. However, whereas SCE&G's petition proposed to use data from 2016 for its calculation methodology, ORS proposed that SCE&G use updated data from 2017 to determine the Rate Credit.

Q. DOES SCE&G AGREE WITH THE ORS'S RECOMMENDATION THAT SCE&G USE DATA FROM 2017 FOR ITS RATE CREDIT CALCULATION METHODOLOGY?

- A. SCE&G concurs with the ORS that using firm peak demand and customer usage data represents a reasonable approach to allocate the one-time rate credit. The Company would recommend amending the approach slightly to use the most recent 12 months of historical kWh energy usage available for its active customers as of the closing date of the merger, should the Commission approve the Customer Benefits Plan.

Q. DOES MR. SEAMAN-HUYNH PROPOSE A SIMILAR ALLOCATION FOR THE 3.5% RATE REDUCTION?

- A. Yes, ORS proposes that class allocations of the 3.5% reduction be updated to use firm peak demand data from the 2017 calendar year. (PAGE 7, LINES 7-8).

Q. DOES SCE&G AGREE WITH THE ORS'S RECOMMENDATION?

A. Yes, SCE&G concurs with the ORS's judgment and agrees to rely on 2017 firm peak demand data to determine rate reduction allocations, should the Commission approve of either the Consumer Benefits Plan or No Merger Benefits Plan.

Q. DOES SCE&G AGREE WITH THE ALLOCATION METHODOLOGY PROPOSED BY MR. SEAMAN-HUYNH REGARDING ORS'S PROPOSED TAX SAVINGS RIDER?

A. No. On page 9, lines 11 & 12, Mr. Seaman-Huynh "recommends that this Tax Savings Rider be allocated to each customer class as shown in Exhibit MSH-1," which is a firm peak demand allocation. SCE&G would point out that under this approach, the lighting class of customers would receive no benefits resulting from the TCJA. SCE&G believes an allocation approach based upon electric sales, similar to that presented in the Joint Petition, would be a more appropriate way to ensure that each customer class receives the benefits to which it is entitled under the TCJA.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.